

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 21, 2003

Mr. Harold DePriest, President and CEO
Electric Power Board of Chattanooga
Telecommunications
536 Market Street
P.O. Box 182255
Chattanooga, Tennessee 37422-7255

Dear Mr. DePriest:

We received EPB's annual information as reported for the year ending June 30, 2003. Authority Staff, however, needs additional supporting information for certain expenses. Accordingly, EPB is requested to provide the following information as clarification to the responses that were filed earlier for the 2003:

1. Provide the interest rates used to calculate the interest expense for the loan from the EPB Electric Division to the EPB Telecommunications Division for each year? Explain how the rate was determined and provide all supporting calculations for determining the interest expense.
2. Provide pole rental rates (per pole) charged by EPB to the Telecommunications Division for 2003 along with the number of poles in which the Telecommunications Division has attached to for 2003. Further, provide a list of all companies or entities having pole rental agreements, joint use agreements and/or pole attachment licenses, and the amount of pole rental per pole paid under each agreement or license. Also, provide the same information for conduit rented or leased to other entities.
3. Explain and provide calculations supporting the increase in Health Insurance costs allocated to the Telecommunications Division from 2002 to 2003.
4. Provide a schedule itemizing EPB's telecommunications plant-in-service by account, e.g., aerial cable, buried cable, switching facilities...for the year 2003. Please identify plant installed solely for the telecommunications division and plant allocated between the electric and telecommunications division, including the method of allocation.

It is requested that this information be provided by Friday, October 24, 2003. If you have any questions concerning this request or need clarification, please call Patsy Fulton at (615) 741-2904, ext. 193, or David Foster at (615) 741-2904, ext. 188.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Werner". The signature is written in a cursive, flowing style with some loops and flourishes.

Joe Werner
Chief of Telecommunications